

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 327 - SB 301

April 21, 2021

SUMMARY OF ORIGINAL BILL: Establishes limitations on when and how a member of a county legislative body (CLB) may participate in scheduled commission meetings via electronic means. Requires CLBs to establish policies for the conduction of meeting with electronic participation.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Due to multiple unknown factors, the extent and timing of any recurring, permissive increase in local government expenditures cannot reasonably be determined.

SUMMARY OF AMENDMENTS (007012, 007163, 007513): Amendment 007012 deletes and rewrites all language after the enacting clause such that the substantive changes: (1) expand applicability to municipal legislative bodies (MLBs); (2) place a limit on the number of members who may participate electronically; (3) establish certain access and notification requirements; and (4) repeal the provisions on July 1, 2023.

Amendment 007163 adds language to Amendment 007012 to extend the provisions of Amendment 007012 to certain utility governing bodies.

Amendment 007513 adds language to Amendment 007012 and Amendment 007163 to establish the provisions are only applicable to any CLB, MLB, or utility governing body who adopts these provisions by a majority vote, and require the Advisory Committee on Open Government to submit a report by November 1, 2020 evaluating the impact and effectiveness of the provisions.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Other Fiscal Impact – Due to multiple unknown factors, the extent and timing of any recurring, permissive increase in local government expenditures, until July 1, 2023, cannot reasonably be determined.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 8-44-109, governing bodies are authorized to allow members to participate in meetings via electronic means, in certain circumstances; however, members participating via electronic means are ineligible for receipt of per diem.
- The proposed language:
 - Applies only to CLBs, MLBs, and utility governing bodies who adopt the provisions by a majority vote;
 - Specifies CLB, MLB, and utility governing body members are only allowed to participate in meetings electronically if they are required to be out of county at the time of the meeting, are dealing with a medical emergency, or are called into military service;
 - Prohibits CLBs, MLBs, and utility governing bodies from conducting meetings utilizing electronic participation unless a quorum is physically present at the meeting location;
 - Limits the number of members who can participate electronically; and
 - Limits the number of times a CLB, MLB, or utility governing body member may participate electronically to two times per year, unless the CLB, MLB, or utility governing body member's absence is due to military service.
- This analysis assumes:
 - Any vote required of the CLB, MLB, and utility governing body concerning adoption of these provisions will occur at a regularly scheduled meeting;
 - Currently CLB, MLB, and utility governing body members do not participate via electronic means frequently given that such participation is ineligible for per diem;
 - Under the proposed legislation, the number of CLB, MLB, or utility governing body members who will participate electronically will be similar to current participation rates due to the specific criteria established for electronic participation;
 - Policies adopted by CLBs, MLBs, and utility governing bodies will address per diem eligibility of members participating electronically; and
 - Any CLB, MLB, or utility governing body opting to allow electronic participation by members currently has the necessary infrastructure in place to meet the requirements for meeting electronically.
- In the event a CLB, MLB, or utility governing body establishes a policy which maintains per diem ineligibility for electronic participation, the increase in local government expenditures is considered not significant.
- The Advisory Committee on Open Government will produce the required report utilizing existing staff and resources; therefore, any increase in state expenditures is considered not significant.
- In the event a CLB, MLB, or utility governing body establishes a policy which would grant per diem to members participating electronically, there will be a permissive increase in local government expenditures; however, due to multiple unknown factors

such as, the number of CLBs, MLBs, or utility governing bodies who will establish such policies granting per diem payments, the extent of per diem paid to individual members, and the timing of any payments, the extent and timing of any recurring permissive increase until July 1, 2023 cannot reasonably be determined.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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